

Star BUSINESS

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INVESTMENT SCENARIO-II

Bol's one stop service woes for entrepreneurs

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The much-talked about One Stop Service (OSS) wing of the Board of Investment (BoI) creates woes for foreign entrepreneurs as it faces dearth of necessary officers who can offer assistance to the investors.

This wing does a little for expediting the process of any investment in Bangladesh a foreign company intends to make, the investors said, describing it as a 'multi-stop centre'.

They pointed to the fact that if any potential investor seeks assistance from the OSS for having clearance on environmental concern of any industrial unit being set up, he or she has to pass through a long process and sometimes is forced to resort to bribery, unless the Department of Environment (DoE) is directly communicated for the purpose.

Sources in the BoI said the OSS is now unable to offer any service relating to telephone connection for any investing company because there has been no officer for the last three years to look after such specific need of an investor. Apart from

this, the officer who has been posted at the OSS to help any investor to get electricity connection is now staying abroad on education leave.

In the last five years, no officer from the National Board of Revenue (NBR) was deputed to the OSS who should have provided counseling to the investors about the tax holiday and other exemption facilities.

Five out of nine officials from different utility service providing departments are currently absent from the OSS, which manifests the pitiable situation in the wing of the state-run investment promotional agency.

The BoI sources said some officers feel discouraged to work at the wing as their parent departments are reluctant to equip them with the sufficient authority they want.

Another reason why these officers are not keen to join the OSS is that they fear they would miss the facilities like personal car and bonus their parent departments might offer for them.

Ehsanul Malik, an executive working at a joint venture company

in the cement sector, said they sometimes tried to get service from the one stop service wing, but they did not get it.

Mamun Rashid, managing director & CEO of Citibank NA, Bangladesh, said the BoI authority never took it seriously to serve the investors through its One Stop Service wing.

Some of the investors went there to get information about the tax exemption facility, but no officer was present there, the bank official lamented.

Admitting to the problem, the BoI executive chairman, Mushtaq Uddin Ahmed, said, "We are looking forward to improving the situation within the next few months as the heads of some departments concerned in a BoI-arranged meeting in July agreed on posting their officers to the OSS to ensure a better service."

The OSS was established in January 1998 to provide infrastructure and other utility services for foreign investors.

It is supposed to be a single window of contact where the intending private investors can obtain

important information about facilities, incentives, regulatory environment as well as essential inputs from nine major public sector providers.

The OSS is comprised of BoI officials and representatives from nine agencies.

These 9 agencies are Bangladesh Bank, National Board of Revenue (NBR), Department of Environment (DoE), Bangladesh Telephone and Telegraph Board (BTTB), Bangladesh Power Development Board (BPDB), Dhaka Electric Supply Authority (DESA), Rural Electrification Board (REB), Dhaka Water Sewerage Authority (DWASA) and Titas Gas Transmission and Distribution Co Ltd.

The assistance these organisations should offer includes pre-investment counseling, supply of prescribed forms and delivering support services in a stipulated time.

Citigroup named best trade bank in Asia

Citigroup has been recently named the best trade bank in Asia for the third consecutive year, says a press release.

It was also announced as the best global trade services bank in the Trade Finance magazine's 4th annual Awards for Excellence in 2007.

The results are based on an online voting through the magazine's website.

"We are delighted to be voted the best trade bank in Asia. We thank our clients for their support," said Amita Jhangiani, Asia Pacific Region head of Trade Services and Finance at Citigroup.

Corporate tax higher in Nepal

ANN/ THE KATHMANDU POST

Despite the economic jitters brought about by the continuing political turmoil, leading Nepali corporate houses posted a handsome double-digit growth—in paying taxes to the government over the past year.

In fact, of the total income tax of 14.61 billion rupees (US\$205.54 million) that the government collected in 2006/07, one-third came from just 10 corporate taxpayers, figures of the Ministry of Finance show. The government, in the fiscal year 2005/06, had collected 10.93 billion rupees (\$153.77 million) in income tax.

"However, rather than being proud, the companies prefer not to disclose their contributions to the revenue and in transforming people's lives. They do so to avoid various extortion groups," said an official.

The list of the top ten taxpayers gathered by The Kathmandu Post shows that Nepal Telecom (NT), the state-owned telecommunication service provider, is the largest taxpayer of the country.

The company, through the services it provides to about a million mobile users and half a million landline holders, paid 2.38 billion rupees (\$33.48 million) in income tax and generated an additional 2.42 billion rupees (\$34.04 million) as value added tax (VAT) during the last fiscal year.

Japan closer to FTA deal with Asean

AFP, Manila

Japan and the Association of Southeast Asian Nations (Asean) are nearing completion of a free trade agreement which will hopefully be signed during a summit later this year, an official said Saturday.

Ramon Kabitig, the assistant trade secretary of the Philippines, which is hosting an Asean economic ministers' conference, said the draft on trade in goods had been completed and they would now discuss the agreement on services and investment.

"The text of the chapter on services is already prepared. It is acceptable to both Japan and Asean but we cannot say it is done until we agree on other things like economic cooperation and so on," he said.

"Right now the services text is acceptable to both parties, the investment text acceptable to both," but both sides must approve the whole agreement together, Kabitig said.

Under the accord, Japan will

abolish tariffs on 90 percent of their imports from Asean. This list of items with no tariffs will be expanded every five years, Kabitig said.

He stressed that certain politically-sensitive items were exempted from immediate trade liberalisation under the agreement which is expected to be signed at an Asean summit in Singapore in November.

Asean, which includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, has been preparing free trade agreements with various economic partners such as Japan, China, the United States and the European Union.

Individual Asean members are also readying bilateral free trade agreements with these partners which will be even wider than the projected Asean free trade accord.

Tata confirms interest in Land Rover, Jaguar

AFP, New Delhi

The head of India's Tata conglomerate confirmed Friday that his group was interested in bidding for luxury British car brands Jaguar and Land Rover, in an interview with an Indian news channel.

Last month, Indian news reports said that two Indian automakers -- Tata Motors and the Mahindra group -- were considering separate bids to buy the British icons from struggling US carmaker Ford Motor Corp.

"We certainly have an interest in that segment but it is not the time to comment on it now," Tata told business channel CNBC TV 18 according to a short excerpt of the interview on the company web site.

"It is to give ourselves scale and global reach, as we take ourselves away from subordination to a single economy."

The full interview will be aired on Sunday and Monday.

Ford announced in June that it was considering selling off the two labels as it restructures its North American operations, in a deal that media reports have pegged at

around 1.3 billion to 1.5 billion dollars.

Tata Motors, India's biggest car company, has appointed advisers to evaluate a bid and signed a confidentiality agreement with Ford to access financial details of the two brands which have a combined British workforce of 19,000, the Business Standard daily quoted unnamed sources as saying last month.

The move would be in keeping with Tata group's growing appetite for overseas acquisitions.

Earlier this year, Tata Steel bought Anglo-Dutch steelmaker Corus for 13.7 billion dollars, India's biggest ever foreign takeover.

Ford bought Jaguar in 1989 for 2.5 billion dollars and Land Rover from Germany's BMW in 2000 for 2.7 billion dollars.

India's Mahindra group has not commented on news reports last month about its interest in the British car companies.

India to leapfrog Brazil as biggest sugar maker

AFP, London

India is on course to overtake Brazil as the world's biggest sugar producer in 2007/2008, the International Sugar Organization forecast Friday in a report which also predicted a record surplus.

"At this early stage, the ISO forecasts India's production in 2007/08 at 33.15 million tonnes, raw value, a new record and a massive 8.0-percent increase from the previous year," the London-based ISO said.

"Thus, we expect that in 2007/08 India will overtake Brazil as the world's largest sugar producer."

The ISO added: "Record production is also anticipated in Brazil, although the industry expansion is expected to slow down there in 2008."

Meanwhile, global sugar output was forecast to outpace demand by a record 10.8 million tonnes in the crop year ending September 2008.

Total sugar production was forecast to stand at a record 169.6 million tonnes.

Dubai Aerospace eyeing Airbus factories

AFP, Frankfurt

Dubai's new state-backed aviation group, Dubai Aerospace Enterprise, said Friday it was interested in buying factories put up for sale by European plane maker Airbus.

Any move by the group to invest in the European plants would deepen existing links between Dubai and the European aerospace industry and be another example of aggressive overseas expansion by companies based in the Gulf emirate.

A Dubai state investment fund bought a 3.12-percent stake in Airbus parent company EADS earlier this year and Dubai-based airline Emirates is the biggest single customer for Airbus's new star product, the A380 superjumbo airliner.

In an interview with German newspaper Sueddeutsche Zeitung, DAE chief executive Bob Johnson said the Airbus plants were "interesting for us" and that the group wanted to "buy into and develop itself" in plane production.

Bank Asia card holders to get discount at 16 firms

ATM or credit card holders of Bank Asia Ltd will receive up to 15 percent discount on purchase of products and services from several business organisations of the capital.

The bank yesterday signed a loyalty agreement with sixteen business organisations in this regard, says a press release.

As per the deal, cardholders have to show their cards at the point of sales of these businesses to receive from five to fifteen percent discount at Hallmark, Persona Beauty Care Ltd, Rina Latif, Afreen's, Afshaar, Baton Rouge Restaurant, Furniture Depot, Legacy Furniture (Pvt) Ltd, Safa Collection, Spitfire, Kids & Mom, Lemon Grass, Samarkand, Sienna Arts, Laser Medical Centre and Casa Greek.

Bank Asia President and Managing Director Syed Anisul Huq and Deputy Managing Director Erfanuddin Ahmed were present during the signing ceremony.

Russian official questions Strauss-Kahn's IMF candidacy

AFP, London

Russia's executive director at the International Monetary Fund (IMF) has said that former French finance minister Dominique Strauss-Kahn lacks the skills needed to be the next IMF managing director, the Financial Times reported Saturday.

Although Strauss-Kahn is frontrunner for the job and backed by the European Union, Aleksei Mozhin described him as a "career politician" who lacked technical experience, in an interview with the London-based newspaper.

Strauss-Kahn faces competition for the job from former Czech prime minister Josef Tosovsky, who has been nominated by Russia.

Tosovsky's nomination challenges the convention of the European Union picking the head of the IMF, while the United States chooses the president of the World Bank.

Mozhin warned that the IMF was facing a "severe crisis of legitimacy" and said developing countries must be given a stronger voice in the selection process.

"There is nothing in Mister Strauss-Kahn's curriculum vitae which could make it clear he has the necessary technical skills to do the job," Mozhin said.

He also described the process of selecting the managing director as "deeply flawed."

"We believe the IMF is facing a severe crisis of legitimacy and that if you want to make the IMF relevant to the needs of developing countries, we must select the best candidate," he added.



PHOTO: STAR

Bank Asia Ltd signed a loyalty agreement with several business organisations in the capital yesterday. Under the deal, Bank Asia ATM or credit card holders will receive up to 15 percent discount on purchase of products or services from these organisations. Bank Asia President and Managing Director Syed Anisul Huq and Deputy Managing Director Erfanuddin Ahmed were present, among others, during the signing ceremony.

EU gears up for energy battle

AFP, Brussels

The European Commission, eager to fire up Europe's energy markets with more competition, is drafting plans to break up big integrated gas and power majors despite stiff opposition from many countries.

The European Union's executive arm is due to present plans on September 19 that it hopes could bring relief to European consumers, which it has long said pay too much for their energy due to a lack of competition.

The Commission believes that the situation could be rectified by forcing them to loosen their grip on both gas and electricity production and the infrastructure needed to get it to customers.

Therefore, it is finalising proposals for so-called ownership unbundling, which could force big integrated energy majors to split into separate companies either producing energy or delivering it.

"Choosing a gas or electricity provider is a fundamental right," said Commission spokesman for energy issues, Ferran Tarradellas Espunya. "For that, asset separation

is equally fundamental."

"We still believe that this asset separation is the best solution."

German business daily Handelsblatt reported that a draft version of the Commission's proposals did indeed call for big energy companies being split into separate companies either generating electricity or distributing it.

According to the newspaper, the Commission is considering two options.

Energy producers that also own distribution networks would either have to sell it to an independent investor or if they remained the owner they would have to entrust the management and investment decisions to an independent operator in exchange for "appropriate" fees.

The proposals would need the backing of most of the European Union's 27 member states to go ahead, but so far they are deeply divided into the for and against camps.

In June, eight countries -- Belgium, Britain, Denmark, Finland, the Netherlands, Romania, Spain and Sweden -- came out in defence of ownership unbundling in a letter

to EU Energy Commissioner Andris Piebalgs.

But in July, nine countries -- Austria, Bulgaria, Cyprus, France, Germany, Greece, Luxembourg, Latvia and Slovakia -- voiced their opposition, arguing that there was no proof that unbundling would deliver lower prices and boost investment.

Although other member states still have to reveal their positions, as things currently stand the Commission does not have the qualified majority necessary for its proposals.

However, the European Parliament, which would also have to give its backing for the proposals to go ahead, indicated in July that it was in favour of unbundling.

"We're starting with a strong position because a compromise is not easy," the Commission's Tarradellas said.

Unbundling is not the only bone of contention the Commission is likely to raise in September as it is also to propose to create a European energy authority charged with regulating cross-border energy flows.



PHOTO: SJIBL

Sajjatuz Jumma, chairman of Shahjalal Islamic Bank Ltd (SJIBL), inaugurates the Motijheel branch of the bank in the capital on Wednesday. Vice Chairman Md Sanaullah Shahid, Executive Committee Chairman Md Solaiman and directors of the bank are also seen.